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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Debtor.

HIGHLAND CAPITAL MANAGEMENT, L.P.,

Plaintiff,

vs.

HCRE PARTNERS, LLC (n/k/a NEXPOINT
REAL ESTATE PARTNERS, LLC),

Defendant.

§
§ Chapter 11
§
§ Case No. 19-34054-sgj11
§
§
§
§ Adversary Proceeding No.
§
§ 21-03007-sgj
§
§
§
§

¹ The Debtor's last four digits of its taxpayer identification number are (6725). The headquarters and service address for the above-captioned Debtor is 300 Crescent Court, Suite 700, Dallas, TX 75201.

**DECLARATION OF JOHN A. MORRIS IN SUPPORT OF DEBTOR'S
OPPOSITION TO MOTION FOR LEAVE TO FILE AMENDED ANSWER**

I, John A. Morris, pursuant to 28 U.S.C. § 1746(a), under penalty of perjury, declare as follows:

1. I am an attorney in the law firm of Pachulski, Stang, Ziehl & Jones LLP, counsel to the above-referenced Debtor, and I submit this Declaration in support of the *Debtor's Opposition to Motion for Leave to File Amended Answer* (the "Opposition") being filed concurrently with this Declaration. I submit this Declaration based on my personal knowledge and review of the documents listed below.

2. Attached as **Exhibit 1** is a true and correct copy of HCRE Partners, LLC's *Third Amended and Restated Limited Liability Company Agreement*, dated as of January 1, 2017.²

3. Attached as **Exhibit 2** is a true and correct copy of HCRE's First Demand Note, executed on November 27, 2013, in favor of the Debtor, as payee, in the original principal amount of \$100,000.

4. Attached as **Exhibit 3** is a true and correct copy of HCRE's Second Demand Note, executed on October 12, 2017, in favor of the Debtor, as payee, in the original principal amount of \$2,500,000.

5. Attached as **Exhibit 4** is a true and correct copy of HCRE's Third Demand Note, executed on October 15, 2018, in favor of the Debtor, as payee, in the original principal amount of \$750,000.

6. Attached as **Exhibit 5** is a true and correct copy of HCRE's Fourth Demand Note, executed on September 25, 2019, in favor of the Debtor, as payee, in the original principal amount of \$900,000.

² Terms not defined herein shall take on the meaning ascribed thereto in the Opposition.

7. Attached as **Exhibit 6** is a true and correct copy of the Demand Letter, dated December 3, 2020 for payment of the Demand Note Repayment Amount by December 11, 2020.

8. Attached as **Exhibit 7** is a true and correct copy of a Term Note, executed by HCRE on May 31, 2017, in favor of the Debtor, as payee, in the original principal amount of \$6,059,831.

9. Attached as **Exhibit 8** is a true and correct copy of the Second Demand Letter, dated January 7, 2021 for immediate payment under the Term Note.

10. Attached as **Exhibit 9** is a true and correct copy of the *Complaint for (I) Breach of Contract and (ii) Turnover of Property of the Debtor's Estate* [Docket No. 1].

11. Attached as **Exhibit 10** is a true and correct copy of HCRE's *Answer to the Complaint* [Docket No. 7].

12. Attached as **Exhibit 11** is a true and correct copy of Jim Dondero's *Original Answer* [Docket No. 6] filed in Adv. Proc. 21-3003 (the "Dondero Proceeding").

13. Attached as **Exhibit 12** is a true and correct copy of Jim Dondero's *Amended Answer* [Docket No. 16] filed in the Dondero Proceeding.

14. Attached as **Exhibit 13** is a true and correct copy of the E-mail chain regarding the Proposed Scheduling Orders for HCMS and HCRE.

15. Attached as **Exhibit 14** is a true and correct copy of the Transcript of the May 28, 2021 Deposition of James Dondero.

16. Attached as **Exhibit 15** is a true and correct copy of the Balance Sheet with respect to the Term Note.

17. Attached as **Exhibit 16** is a true and correct copy of the Balance Sheet with respect to the Fourth Demand Note.

Dated: June 1, 2021

/s/ John A. Morris
John A. Morris